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Senate Armed Services Committee Holds Hearing on Navy Posture

LIST OF PANEL MEMBERS AND WITNESSES

INHOFE:

Let me apologize to my fellow senators. You know I just--had just gotten back from Iraq, (INAUDIBLE), Uganda, Rwanda, Ethiopia, (INAUDIBLE), felt fine but hit the ground here and I got non-contagious bronchitis, got that. So anyway that is why I am much better today than I was yesterday.

(LAUGHTER)

Much better. Much better. The committee today received testimony on the posture of the Department of the Navy in the fiscal year 2021. We welcome our--our--our--our guests today the Acting Secretary of the Navy Tom Modly; Admiral Gilday, Chief of the Naval Operations and David Berger, Commandant of the Navy. Thanks for coming. Thanks for your long-term service. We appreciate you very much.

With the alarming speed of modernization of both conventional and nuclear forces, China and Russia present a credible threat and I always make reference to this because this--when we put this together this was equal Democrats and Republicans, people who are no one could question their capabilities and--and so we have been trying to follow this. So we--I will make several references to this as will other members and we did the major thing there is that China and Russia has now passed--have passed us in areas that we didn't want to be passed.

I am encouraged by some of our witnesses' public statements and guidance and their subordinates related to--to reorienting and to great power competition. Thanks to President

Trump's leadership, we have reset defense spending in 2017, and we are beginning to rebuild the military after many years of neglect, but the hole is deep, and the work is just begun.

I commend our witnesses for submitting a budget that continues to trend the funding and the readiness accounts that support today's Navy and Marine Corps. However, it is clear to me that the Department of the Navy's proposed budget only is--is only sufficient to support a fleet of about 300 ships; that is clearly inadequate to the growing Navy, to the 355 as we find in the manual I just referred to. That is along these lines I must also point out that the department has yet to submit a 30-year shipbuilding plan, which by law was required to be submitted to Congress with the budget last month.

The absence of this plan makes it impossible to understand how the department plans to reach its goal and the national policy of a 355-ship Navy. We have got to be smart, not hasty as the modernization. As we modernize our military, I urge each of you to take a long view. Recent history should be our guide because, without better acquisition performance, we will fall behind or further behind I should say China and Russia. Senator Reed?

REED:

Well, thank you very much, Mr. Chairman, and I join you in welcoming Acting Secretary Modly and Admiral Gilday and General Berger to the committee this morning to testify the plans and programs of the Department of the Navy and our review of the fiscal year 2021 authorization request. I specifically want to welcome each of you to your first posture hearing before the committee. We are grateful for your service and for the service of the men and women under your command and for the support of all of the Navy and Marine Corps families, so please express our thanks to these wonderful Americans.

As the leaders of the Navy and the Marine Corps, you face significant challenges as you strive to balance the need to support ongoing operations and sustained readiness with the need to modernize and keep the technological edge so critical to military success. In addition, because significant levels of funding are being transferred to build a wall in the southern border, you will have fewer resources for modernization.

The Department of the Navy faces serious readiness problems caused by deferred maintenance, reduced steaming and flying hours, and canceled training and appointments. Remember, too the collisions of the McCain and Fitzgerald and the loss of life that resulted. I will be interested in hearing about the progress the Navy is making in continuing to implement changes that will ensure such incidents will not happen again.

All areas of our Naval forces are maintaining an extremely high operations tempo. Demand is overwhelming for attack submarines, air and missile defense cruisers, destroyers, and strike fighter inventories. The Navy is now in its eighth year operating with fewer than the legally required 11 aircraft carriers. The Ford is listed in the Navy inventory, but that carrier is more than five years behind schedule and will not be ready to deploy for many, many months.

In addition, during the next decade, the Navy will need to buy the new Columbia class ballistic missile submarines to replace the Ohio class submarines. This is an extremely expensive undertaking that is on a very tight schedule. The Navy is using authority such as multiyear procurement authority to conduct modernization programs more efficiently. Congress has approved multiyear procurement authority for both attack submarines and Aegis destroyers.

These vessels represent the largest inventory shortfall compared to the goals in the 2016 force structure assessment with the actual Navy fleet 15 boats below the attack submarine goal and 14 destroyers below the goal of large service commands. The Navy just recently signed a multiyear procurement contract (INAUDIBLE) block five of the Virginia class attack submarines. This contract provides for buying nine boats for the five-year period fiscal year 2019 through fiscal year 2023.

The contract also provides an option to buy a tenth boat if the Navy has the resources and the contractors has improved performance on the program, yet the fiscal year '21 budget, which had the best opportunity for funding the tenth boat, did not exercise the option. I'm concerned that the window of opportunity for buying a tenth boat could close the funds are not provided to the Navy this year to allow them that opportunity. I see that the number one

item on the CNO's unfunded priority list is funding for the second Virginia class submarine in fiscal year '21, and I would obviously be interested in your thoughts on this issue.

Modernizing ground vehicles remains a priority for the Marine Corps. The amphibious combat vehicle will provide increased force protection and enhanced lethality to our Marines, and it will replace the aging inventory of assault amphibious vehicles. The Marine Corps is also partnering with the Army to develop the joint light tactical vehicle or JLTV to replace the Humvee and they have made targeted investments in the high mobility artillery rocket system (INAUDIBLE) in order to provide Marines with ground-based indirect fire support. I would welcome an update from our witnesses on how they are balancing the procurement of new systems while upgrading existing platforms to meet current operational needs.

In 2016 Admiral Richardson released a force structure assessment that identified a new force structure goal. We had been promised a new force structure assessment by the end of 2019 that would address the implementation of the National Defense Strategy, but that has not arrived. I also understand that the department has not provided the 30-year shipbuilding plan as required by law. I look forward to hearing when the department will deliver these important documents. Again I want to thank the witnesses for appearing today, and I look forward to their testimony. Thank you, Mr. Chairman.

INHOFE:

Thank you, Senator Reed. We are going to have opening statements. Your entire statement will be made a part of the record, and we will start with Admiral Gilday. You are recognized.

GILDAY:

Chairman Inhofe, Ranking Member Reed, distinguished members of the committee, thank you for the opportunity to appear today with Secretary Modly and General Berger. We are thankful for your enduring support of the Navy Marine Corps team.

Today three carrier strike groups and two amphibious ready groups, along with 30 percent of our fleet are deployed forward around the globe. Our Navy Marine Corps team needs no permission to operate at sea, and their power does not rest on any single location but rather in our ability to maneuver any time, and anywhere the seas reach operating across the spectrum of military operations. Without question, our sailors remain our most important asset. We have taken a hard look at what they need to be successful, the equipment and the training that they need to fight and win as well as support required to take care of them and their families.

Over the past eight months, we have engaged in a deep examination of these issues. Our balanced approach in our budget submission this year provides a Navy ready to fight today while committing to the training, the maintenance, and the modernization to provide a Navy that is ready to fight tomorrow. Naval power is critical to implementing the National Defense Strategy.

But Naval power is not just a function of fleet size, it is a combination of the readiness, the lethality, and the capacity of that fleet. Our number one priority remains the Columbia class ballistic missile submarine. This request also heavily invests in our readiness accounts such as ship and air--aircraft maintenance and modernization, in manpower, in live virtual, constructive training, in steaming days and in flying hours. It invests in new systems to make our fleet more lethal, including increasing our weapons inventory filling our magazines, bolstering the range and the speed of those weapons, exploring directed energy weapons, and incorporating new technologies like hypersonics. This request grows our fleet in size, generating sustainable, capable capacity.

GILDAY:

Naval power is not just determined by what we operate and fight with, but how we operate and fight. We are pursuing an integrated approach with the United States Marine Corps and fleet operations in exercises, in war games, and in experimentation. The net result, we believe, is an--is integrated American naval power. I could not ask for a better partner, a better shipmate in this endeavor than General Berger.

Thank you again for your support, which has allowed us to make significant gains in readiness and lethality already. It also allows us to answer our nation's call every day. On behalf of your active-duty, reserve, and civilian sailors and their families who serve our nation, I thank you and I look forward to your questions.

INHOFE:

Well, thank you, Admiral. And Secretary Modly, I probably should've started with you, but you're recognized now.

MODLY:

Thank you, Senators. Chairman Inhofe, Ranking Member Reed, distinguished members of this committee, thank you for your bipartisan efforts on behalf of the sailors, Marines, and civilians of the Department of the Navy.

It's an honor to be here today with Admiral Gilday and General Berger, both of whom have demonstrated great commitment to each other and to each other's respective naval service, as they have worked collaboratively over the last several months to lead our integrated American naval force. Consistent with that spirit, we've taken a different approach to the written testimony this year by submitting one unified document instead of sea--three separate documents, which you seen it.

Staying ahead in today's rapidly changing global strategic environment demands that our naval forces commit to unified planning, clear eyed assessments, and sometimes very, very hard choices. In this process, we must harmonize competing priorities, sustain our critical industrial base, and not allow our maritime competitive advantage to erode relative to global competitors and, more accurately stated, aggressive adversaries who wish to hasten our decline as a global force for liberty and for decency.

In the end, this budget the mission is a manifestation of the hard choices we had to make this year, but it's centrally about the safety, security, and well-being of our sailors, Marines, and their families. Ultimately, I asked that you recognize that, in the submission, we could

not make trades that put our sailors and Marines on platforms with equipment that are not ready for a fight, if a fight is what is going to be required of them in.

While this budget slows our trajectory to a course of 355 or more ships, it does not arrest that trajectory. You have my personal assurance that we're still deeply committed to building that larger, more capable, more distributed naval force within the strategically relevant time frame of no more than 10 years. I look forward to working with this committee and the entire Congress in the coming months as we develop some realistic plans to do that.

Our budget also demonstrates a clear commitment to the education of our people, as we implement the recommendations of the Education for Seapower study that I led as the Undersecretary of the Navy for the last two years. We are establishing a naval community college for our enlisted personnel as part of a bold and unified naval education strategy that recognizes that the intellectual and ethical development of our people is critical to our success as a naval force.

We are also stepping up our efforts to meet our solemn commitment to our military families through significantly more engaged oversight and accountability of our private--public-private venture housing program.

Finally, would like this committee to understand that, as leaders of the Department of the Navy, we are both vocal and united in our determination to prevent sexual assault and sexual harassment throughout our force. Every sailor, Marine, and Navy civilian deserve individual respect, dignity, and protection from this great naval institution. We have some work to do in this regard, but you have my personal commitment that we take it very, very seriously.

We are grateful to the Congress for passing this year's NDAA, which enables many of the priorities identified within this document. In passing this legislation, you've sent a strong signal of support to our people and a very, very stern warning to our adversaries. We also appreciate the funding stability and the predictability of the last several years. This has

saved money for the American taxpayer and given our force the agility and flexibility to address emerging threats while in--investing in our integrated naval force.

We urge the committee to do what it can to continue the stability so that we can implement the reforms and investments required to meet great power challenges, protect the maritime commons, and defend the United States of America. Thank you for your time and we look forward to your questions.

INHOFE:

Thank you, Mr. Secretary. General Berger?

BERGER:

Chairman Inhofe, Ranking Member Reed, distinguished members of this committee, I appreciate the opportunity to testify on the posture of your Marine Corps and our priorities for the future, and I'm joined by the Sergeant Major the Marine Corps behind me, Sergeant Major Black, and my wife Donna.

And I'll start by echoing Secretary Modly and Admiral Gilday's thanks for timely funding, as well as your enduring commitment to the Marines, sailors, and families through efforts like the hurricane recovery, which you authorized, provided for last year, and your revisions and oversight to our work on public-private venture housing program, which the secretary mentioned. Your bipartisan support is critical to ensure that we continue to prioritize people as our greatest resource.

Thanks to predictable funding over the last few years, your Marine Corps has made significant progress restoring both availability and readiness. We are now at an inflection point. We have to pivot now toward modernization while sustaining the readiness that this committee has worked hard to authorize an resource. This pivot, in my opinion, cannot wait until next year or the following. We must move now or risk overmatch by--in the future by an adversary, and that is a risk we will not take.

As the national defense directs and Secretary Modly recently emphasized in his first vector to all hands, we have to pursue urgent change at a significant scale. Marines have always sensed when it's time to move out smartly. We don't hesitate. This is that time.

Realizing the bold direction of our strategic guidance requires acknowledging that there are fundamental changes in the operating environment and how we must organize, train, and equip the force. I'm confident that most leaders recognize that significant change are--is required, yet the scope and the pace of that change is seemingly at odds with some historical resource allocations and some of our major acquisition programs, which predate the National Defense Strategy.

This budget submission marks the beginning of a focused effort to better align resources, what you provide, with strategic objectives. Our future budget submissions will build on those investments with informed recommendations for force design, modifications, and adjustments to our programs of record. Together, in partnership with my battle buddy, Admiral Gilday, and under the direction of Secretary Modly, we are committed to delivering the integrated naval fleet and Marine forces your nation requires.

As always, I welcome the opportunity to discuss our findings along the way, and we will keep each of you and your staffs informed as we progress. As always, we will be frugal with the resources we are given. We will ask for no more than we need. With Congress's commitment and support, we will ensure that your Marines continue to have every advantage when we send them into harm's way. I look forward to your questions. Thank you, sir.

INHOFE:

Thank you, General. I was going to start off with talking about the fact that we don't have the thirty-year shipbuilding plan. I'm sure somebody else will do that. There are two things that I wanted to get to though. One, obviously, is the--would not be unexpected, the USS Gerald Ford.

I--I think most of us around this table here have been down there, have been--have walked it, understand it, but we're also fully aware that that ship--the original plan to deliver the ship was September 2015. It was to be--the ship was going to be delivered fully capable at the cost of \$10.5 billion. Now the projected full delivery of the ship would be April 2021, the cost being at--at \$13.2 billion.

So, Secretary Modly, today's your lucky day. You get to make the next prediction. And I'd like to have you kind of share with us where you think it is right now. It's my understanding that a lot of the things--it's not just the elevators. We talk about those, but we also--the catapults, arresting gear, the radar, and I understand now that the nonskid situation is taking care of from a visiting with you in my office. But kinda go over where we are today, what your predictions are, and when this is going to happen.

MODLY:

Senator, I appreciate the opportunity to talk about the Ford. I think the--the history that you laid out about the Ford is--it's not a good history and it's one that we should never allow to happen again. It's--it's--it's not the way that we should be delivering ships to the U.S. Navy.

That being said, we are where we are with that ship. And one of--

MODLY:

The first thing I did as the acting Secretary was to basically put the fleet on notice that it is all hands on deck to make that ship ready for sea and ready for a fight if that is what we needed to do. So we have taken several proactive steps over the last several months to get that ship ready. A lot of this work was going on already but one of the main things we did is we moved (INAUDIBLE) the two star admiral who is responsible for the PEO (PH) for all carriers we moved him to Norfolk to basically be there. It is symbolic but it is more than symbolic. It requires a lot of attention to detail on many of the things that were lacking on this ship. I have been down there twice since I have been the acting Secretary. One says A's the prize on my second day just to see what it's like and I didn't want any admirals there with me. I

walked around, talked to the crew, got a good sense for where the ship was and I also rode the ship in on--after their last--last short deployment where they went out and did aircraft compatibility testing.

It has been night and day for me in terms of my perspective and my perception on what is happening with that ship. They have made substantial progress on the elevators. The elevators that are working and certified I think there--there are four of those. They have done thousands and thousands of cycles with those with no problems. They launched close to 1000 aircraft and recovered them with no problems on the (INAUDIBLE) either so significant progress and the most--the most encouraging thing to me is walking around that ship is talking to the crew. The crew loves the ship. The way the crew--the way the crew and how their jobs have changed coming to--several of them coming from (INAUDIBLE) class carrier to this carrier it has completely changed the way they do their work.

INHOFE:

And--and I understand that and I also talked to the crew and its--it's--those are their feelings exactly. I wanted to get one more thing in my time here. In a recent interview you stated quote I don't know if we are going to buy any more of the Ford class after the CVN 81 which will be the fourth one. We are certainly thinking about the possibility of other classes. Can you elaborate on that statement?

MODLY:

Yes, sir. I--I think we have a duty to look at what will come after the Ford and the fact that we made a two carrier by for the last two it gives us some breathing room. It gives us a few years before we would have to award the next one which would be in the 27, 28 timeframe.

INHOFE:

Okay. That--that answers the question. General Berger on the--the CH 53K which would be replacing the CH 53E we are familiar with the cost of this thing and some of the overruns

and I would kind of like to get an update in this brief period of time from you as to where we are, why it is really necessary and just give us your opinion on that.

BERGER:

Thank you, sir. The requirement for a heavy lift helicopter remains valid, in fact probably more valid in the adversaries, the competitors that we need to face and where you want your forward Marines. You have to have the ability to move that force around and its sustainment from ship to shore or shore to shore or back to ship it again so we have a valid requirement.

A year ago the 53K was in a different spot. We had both technical as you know engineering problems and cost problems. Today much better place engineering wise technologically. It looks like a 53E on the outside but like you know you pop the hood it's a completely different aircraft. Everything from the exhaust gas recirculation to the other 100+ engineering challenges we have either salt or Sikorsky has a solid path forward. If I am very confident that the aircraft is on the right trajectory. Now it is a function of cost as you pointed out sir, both procurement and the cost to operate--

INHOFE:

Yeah, why does it cost more than an F-35?

BERGER:

Pardon me, sir?

INHOFE:

Never mind. No, I was making a comment that it cost more than an F 35. When you are talking to the general public they don't know much about your--they know about the 35 but go ahead.

BERGER:

Yes, sir.

INHOFE:

So why does it cost more than an F-35?

BERGER:

It is--it is a brand-new fly by wire aircraft.

INHOFE:

Very good. Thank you. Senator Reed?

REED:

Thank you Mr. Chairman. As I indicated in my opening comments the Navy is short, critically short of attack submarines, 15 below the goal established previously and accepted by the Navy and all 14 destroyers below that objective. And Admiral Gilday is--is there any chance that this demand will lessen over time or increase?

GILDAY:

Senator, given the pace of the Chinese right now I don't think that--I don't think that--that that thread is going to subside. I also think particularly in the undersea is where we have--we have an advantage, significant advantage and so we want to maintain that overmatched. We don't want to take our foot off the pedal.

REED:

Know, I appreciate that. I think also to with respect to Russia their sophistication undersea is another challenge it is not just simply numbers, it is also more sophisticated vessels, is that correct?

GILDAY:

Yes, sir, much more sophisticated and as you know the capabilities that we are putting into the Virginia class the block fours and the block fives are significant. There is significant leap

forward for the United States and so our intention is continue to press with that technology and improve it.

REED:

Now on the Block 5I(PH) there was a nine ship commitment plus an optional ship. One of the concerns I have is that the window for this option will close very quickly and that this might be the best year to exercise the option. Can you comment on that server because I--I see pressure not only in the construction of additional block five vessels but from all we have talked about here before aircraft carriers, everything else, destroyers this might be the best year, isn't that right?

GILDAY:

Yes, sir, I believe so. In terms of the workforce I was just up in (INAUDIBLE) at electric boat a week or so ago and I left--I left that shipyard confident about the capability of that yard to produce boats at the rate of two a year and so and they are planning for the significant increase of the work on the Columbia build begins in earnest but there--that--that is a passionate well-trained workforce up there and I think that they can handle two boats a year based on what I have seen.

REED:

Thank you very much Admiral and Mr. Secretary and--Admiral Gilday the Chairman alluded to this issue but we are still awaiting these two significant reports, the force structure assessment and also shipbuilding plan. Based on Secretary Esper's testimony yesterday I believe it is at his desk literally and is that the--we are waiting for--for that and when will we get it?

MODLY:

Yes, sir. I--I am very excited to get over here and talk that through with the committee. Secretary Esper wanted a little more time to digest it. It is informed by the 21 budget but also by the integrated force structure assessment that Admiral Gilday and General Berger

put together and I think he just wanted more time to understand it. We will bring it over here as soon as he--he feels like he is ready to do that.

REED:

I think the committee encouraged him to take adequate time but not a lot of time so we--we hope that will be the case. General Berger, you--you have programs with the Army with respect to the JLTV, the joint light tactical vehicle. The Army is making some changes in the program. Are you adjusting to them or how are you adjusting to them I should ask?

BERGER:

Senator I am aware the adjustments that they are making. We have not made any changes yet to our procurement and if we did it would be based on--on the Marine Corps's needs but we are absolutely tracking the changes, the adjustments that they are making. So far sir I have seen it down in North Carolina where my son is, it is a phenomenal vehicle.

REED:

I have had the chance to look at it at the facility and it is a very--much more significantly - like well, it is a good vehicle I will stop right there. Secretary Modly the committee in the last few years have created a national Seabass--see-based deterrence of fund because we understand the industrial base is significant and there are problems in the industrial base for every type of platform and we think that by going into the industrial base through the prime contractors not only can we increase quality, protect from cyber intrusion but also generate savings from doing the work right the first time. Can you just briefly comment and I don't have much time.

MODLY:

Senator, I agree. We--we have had some vulnerabilities in the supply chain for--across the entire Navy. It is a vulnerability that our adversaries have figured out that is easy for them to get in and they can piece information together and they get a bigger picture even when a supplier may think that small piece of information is not relevant. So we are investing

heavily in this. We are developing new strategies for how we do this, how perhaps we develop capabilities to perhaps create cloud areas for them that are secure but it is a big concern of ours and we are addressing it.

REED:

And in addition to that (INAUDIBLE) just the simple fact of quality--quality construction at the sub pre-events rework at the prime.

MODLY:

Absolutely.

REED:

Thank you very much, Mr. Chairman.

INHOFE:

Senator Wicker?

WICKER:

Thank you very much. I appreciate the service of all three of you. I know you have had to deal with a

WICKER:

budget number that you didn't--you did not arrive at yourselves and appreciate you doing a difficult task. We hope we can use our power of the purse here in this committee and in the congress to help you out on that.

I think Ranking Member Reed expressed with regard to the 30 year shipbuilding plan the (INAUDIBLE) of most people on this committee that the Secretary should take enough time

but not too much time. So I want to--I want to subscribe my views to what he said about that.

And Airmen--Admiral Gilday, with regard to the submarines--let--let me make sure you said that--that the threat will not diminish. Actually, the threat is increasing and that and--and you nodded but that is correct, right?

GILDAY:

Yes, sir. I agree.

WICKER:

And that is not only with regard to the specific--specific question Admiral--Senator Reed asked about submarines but it's actually a--across the entire fleet, is that correct?

GILDAY:

I would agree with that as well, sir.

WICKER:

All right. Thank you very, very much. And, appreciate the fact that the NDAA tasked the Navy last year to review alternative acquisition strategies. The Navy came back with a report that said significant savings can be achieved by procuring various combinations of amphibious ships. So let me ask you, Secretary Modly and General Berger, a--about these findings, particularly as they're related to the three LPDs and the LHA9. Could you speak to the timeline for awarding the funding of these ships and what are the benefits of procuring these four ships together. And let me just get all my questions out there and we'll see what we can do in less than three minutes.

What are the specific capabilities and--and what is the specific importance, General Berger, of the amphibious ships that I mentioned?

BERGER:

Sir, the amphibious ships capabilities wise in the past pretty conventional view of what they did in terms of the Navy, the Force projecting the Marines ashore. In the way that we're going to need to operate in the future even more challenging and the role of the amphibious ship I think, goes up.

Why? Because in order to operate a force inside a contested area at the unclass level inside there--you got to have the ability and you need the ability to sustain that force for a long period of time in austere conditions and move that force around. Amphibious are people have told--told spoke of them as sort of the Swiss Army knife, they are.

Cause you can launch you can move a force from the air on the water--you have multiple means to do the job. So, I think they are a value to the Naval force, they are a value to the joint force goes up in the future.

WICKER:

(INAUDIBLE)

MODLY:

And with respect to business considerations, Senator. We're looking at all types of options to be able to bundle our buys of ships in order to drive down the cost, provide more stability to the industrial base and that supplier base which extends far beyond just the shipyards that are doing the primary construction. So I--I talked to Secretary Geurts about this this morning about how we might be doing this particularly in the amphib area and we're going to be thinking about that and developing some plans to do that.

WICKER:

OK. And specifically, the U.S. currently has four DDGs based in Spain. These platforms provide an advanced multimission defense capability. We are I--I thin we are getting the

right testimony with regard to the need there. Do--do we need the two additional DDGs in Rota, Spain and--and tell us about the plans to accomplish that.

GILDAY:

Senator, we support the two additional DDGs to Spain. Right now, we're working with U.S. European Command. They are putting together their strategic lay down of the theater. So when that is complete you'll be briefed up here in the Congress. And then, in parallel we'll be moving through the office of the Secretary of the Navy and then the Office of the Secretary of Defense coordinating with the Department of State and then finally, the government of Spain so that they can line everything up to get additional DDGs over at some point to Rota.

But we're very supportive right now our assessment is that the Spanish want us there in greater numbers and certainly the commander of U.S. European command does.

WICKER:

And--and just briefly, General Wolters has testified that we actually have the infrastructure there at Rota that is able--able at this point to house the two additional destroyers. Is that correct, Admiral?

GILDAY:

Yes, sir.

WICKER:

Thank you very much.

INHOFE:

Senator Blumenthal.

BLUMENTHAL:

Thank you, Mr. Chairman. Thank you all for being here, for your service and thank you, General Berger for your wife's presence here today. Donna's presence, I think, points to the importance of our military families and the service and sacrifice that they make so that we can be the greatest and strongest military force in the world.

And in that connection I'd just like to mention I didn't have a chance to question General Milley or Secretary Esper yesterday about the tenant bill of rights for military housing--which, frankly, is somewhat mystifying to me in failing to set forth three of the essential rights that we incorporated in the NDAA last year. And, I want to emphasize again, the importance of military housing and raising it to the standards that we think are important. I'm going to be submitting questions in writing to them. I don't want to take time on it this morning but any responses in writing you have on that issue I would certainly welcome.

General Berger I appreciated your response to Senator Inhofe about the CH53K and I agree with you totally on the importance of this aircraft. In fact, as you may know, today literally marks the birthday of Connecticut Zagsorsk engineering which was established in March 5, 1923. It's provided 97 years of capability for our nation's defense including the CH53K which is a marvel of engineering. And, I want to suggest that the cost of each aircraft would come down if the pace of production is increased. If we go from 7 to 9, which I would advocate the cost per copy would come down. Would you agree with that point?

BERGER:

I would agree with the math. Yes, sir.

BLUMENTHAL:

Thank you. Admiral Gilday, I want to thank you for your visit to Groton, which was enormously meaningful and inspiring and you're a very insightful questions and I agree with you completely that we have one of the great passionate dedicated workforces in any engineering facility there at Groton. But I'm deeply concerned by the graph that you and I saw of the work--worker demand the production and employment capabilities that we're

going to see and the troughs, the deep dips in employment. And, particularly during 23 to 24--2023/24, I would like to know what the Navy can do to mitigate those troughs?

I know that time won't permit you to give a full answer, but I'm going to ask for a full briefing. I asked for the charts and some of the underlying data while we were there and I wonder if you could respond to that point?

GILDAY:

Yes, I just say with the--with the lack of an additional submarine in FY21, what we would do and we are doing right now is to take a look with electric boat at how we might be able to--might be able to put some of their workforce that would otherwise potentially be furloughed to work whether that be in Portsmouth, New Hampshire in our facility up there or down in Newport News, Virginia.

And so, I will tell you this--that we believe that the defense industrial base particularly, the work that's being done with ships and submarines is absolutely the crown jewel in the defense industrial base. And so, we want to work very closely to make sure that we don't hit a trough that we can't recover from quickly because that industry just is not very elastic.

And so, we've lived through this before and we have to be more responsive.

BLUMENTHAL:

Well, as you know, there's been a furlough of about 300 workers in the last few months. But that is miniscule compared to the thousands that we will see going down and then coming back in terms of the demands on that workforce.

So, the lack of that second submarine in 2021 is really going to be impactful. You're absolutely right. It is the crown jewel

BLUMENTHAL:

And I think we are really playing with fire if we failed to make sure that workforce is sustained. Thank you. Thank you Mr. Chairman.

INHOFE:

(INAUDIBLE)

COTTON:

Thank you Mr. Chairman. Thank you gentlemen. General Berger I want to return to the Chairman's question about 53 kg. Given its cost can you just tell us in a little more detail what is the long-term outlook for this helicopter?

BERGER:

Sir, our program of record is 200 aircraft, that is our requirement. And need to cost as most folks in here really well aware of are the (INAUDIBLE) the individual cost up front and in the flyaway recurring cost. The math as--as outlined accurately before when we get on schedule for a buy and the learning curve continues up then the cost starts to come down. But we have to close that gap because I owe you an honest answer that this is an aircraft that we can afford. This is an aircraft that we can sustain over the lifespan of it. So far again the engineering part I am very, very comfortable with. Now it is a function of making sure, closing the gap to where I can convince you that this is a good, this is the best use of our resources for an aircraft we definitely need.

COTTON:

So you are saying that you owe us an answer and you need to convince us. It doesn't sound like you are yet fully convinced yourself?

BERGER:

I think there is room still to close the gap and--and Sikorsky agrees as well. The learning that happens on the first of anything of course they are going to drive down the cost just because

they are going to produce it more efficiently and the engineering costs that are going to the first batch of research in the engineering models is going to go down.

COTTON:

When do you think we might get that answer?

BERGER:

Yes, sir. The next contract is due to be awarded I think in August September time frame. We will know then.

COTTON:

Okay. I want to turn to another item that was in the president's budget request which I found interesting. You are going to buy Tomahawk missiles this year specifically I see the Marine Corps in FY 19 ask for zero Tomahawk missiles, in FY 20 you ask for zero Tomahawk missiles and in FY 21 you have requested 48 Tomahawk missiles. I presume you are not planning to launch those off any of your amphibious ships so could you tell us what you plan to do with those 48 Tomahawk missiles?

BERGER:

Yes, sir. Part of the homework that the Navy and Marine Corps done over the past six months is how we think we are going to need to operate in the future as an integrated naval force and that means the Marine Corps assumes a role that we have not had in the past 20 years which is how do we contribute to sea control and sea denial. The Tomahawk missile is one of the tools that is going to allow us to do that. It--much like the MQ9 Reaper for us it could be the answer, it could be the first step towards a longer-term answer five, six, seven years from now but what we need is long-range precision fires for a small unit, a series of units that can from ship or from shore Holden adversaries naval force at risk and that missile is going to help us--help us do that.

COTTON:

And is it safe to say that this decision is a result of our withdrawal from the intermediate range nuclear forces Treaty that you can explore these options?

BERGER:

I--I would assume so. I haven't linked the two together. We just knew we needed a long-range precision fires beyond the range that we could--that we were restricted to be for, yes.

COTTON:

And most particularly in the Western Pacific given China's long-range precision fires since they were never a party to the INF treaty?

BERGER:

Absolutely, yes.

COTTON:

Okay. I am glad to see that you are exploring those options. I'm sure your--a lot of your Marines would think it would be awesome if you launch them from amphibious ships but probably not what you have in mind but obviously we face pretty significant firepower gap in the Western Pacific given China's stockpiling of thousands of missiles and it is good to see your service beginning to address that. Thank you.

KING:

Thank you Mr. Chairman. First, in a hearing like this you always get comments and questions about things that are left out. I want to start with a compliment, the fact that you have increased the R&D budget because we are in a not only a competition of forces and ships and troops but a competition of innovation and if we are going to stay ahead in terms of the technology of--of future conflicts R&D is going to be critical. Directed energy I think is an enormously important potential part of our naval force, hypersonics we have discussed

and I think that is something we are going to be discussing or I am going to be talking with Admiral with you and your staff on in a classified setting, unmanned craft, I mean there is just a lot of new technology that has to be developed over the next several years and I--I compliment the Secretary and the department for putting some emphasis on R&D and innovation.

Now for the other side of the coin I am concerned that we are talking about trying to get to a 350 ship Navy or actually Mr. Secretary I think you have talked about a 390 ship Navy and we are also talking about developing a new large surface combatant and yet in the FYDP, in the new FYDP we are losing four destroyers which are sort of the workhorse of--of the surface combatants and I am worried about a gap. I am worried about a falloff in not only in shipbuilding but in the industrial base. Can you speak to that concern?

MODLY:

Senator thanks for the question. I think one of the problems we have this year is we have sort of the con--confluence of bad timing on a lot of different things. We--we worked--we started on this integrated force structure assessment last summer, it was delivered to me in January and sort of came to me after we had already completed most of the work on the 21 budget submission. So what we found in this force structure assessment is that there is a demand for a 355+ type of scenario.

KING:

Part of that 355 are large surface combatants--

MODLY:

Yes, they are.

KING:

Like DDG (PH)

MODLY:

Yes, they are. Yes, they are. They are--their--most of everything that we have right now is going to be part of it but there are new things that Admiral--sorry that General Berger alluded to, a new smaller amphibious, new smaller combat support vessel that can help support distributed maritime operations. Of course the new frigate will be a key element of that strategy and in that new force structure and then unmanned platforms both undersea and above--above the surface or on the surface will be part of that future force mix. We are just in the process of trying to educate and help the Secretary understand what this might mean and then we will move out with a strategy for how we get there. That is--that is a challenge for us but in any scenario we are talking about significant expansion of the size of the fleet and we are looking at a flat top line and those two, that mathematical equation is difficult for us to bridge.

KING:

One of the problems is that we are trying to recapitalize through operating budgets. Any other business in the world would say a 40 year asset like a Columbia class submarine is a capital in--investment as opposed to a drain on current operating cash flow and yet it is the bulge in the process of the modernization and the rebuilding of the nuclear deterrent that is really causing a lot of the squeeze as I see. Admiral, do you agree with that assessment?

GILDAY:

Yes, sir, I do and the Secretary has challenged us with finding \$8 billion this year in our existing budget so that we can put that towards not only ship--shipbuilding but all of the other pillars that supported the manpower, the weapons, the training, etc. so that we--so that we can increase our--so we can increase our numbers.

With respect to the legacy ships that we--that we are looking at decommissioning it becomes--we get to a point sir where the return on investment we are just not going to get the return with respect to lethality and so some of these hulls are over 30 years old and so it

is--numbers are important but you know in the end we would rather have a ready, capable, lethal fleet over a larger--

KING:

Lethality is the measure are not absolute numbers, I understand that.

GILDAY:

Give them a few more years and send them to the Caribbean and--and the Pacific where we can interdict some of these drug shipments. We have got--we are now interdicting 25% of the drug shipments we know of, we know of than 75% are going by even though we know they are there because of a lack of asset so if you've got spare ships, Admiral I know where you might want to send them.

GILDAY:

Sir, we are sending ships to the Southern command and in discussions right now about what those numbers ought to look like. In fact we are deploying two littoral(SP) combat ships this year.

KING:

Because that is a war we are in right now and the Americans are dying in that war.

GILDAY:

Yes, sir.

KING:

And I sincerely hope you and SOUTHCOM and Coast Guard can--can really get together and make a dent in that traffic. I don't--I am out of time general but perhaps for the record you could give me your thinking on the--the reduction of your in strength by 2100 Marines

KING:

given the demands on the--on the Marine Corps. So I'll--I'll look for that for you. Thank you. Thank you very much, Mr. Secretary.

INHOFE:

(OFF MIC)

ROUNDS:

Thank you, Mr. Chairman. Gentlemen, thank you for your service. General Berger, there have been reports that the secretary of defense removed the post combat lethality task force from an element that directly reports to him to one that reports to the Army. This is an organization that is examining the full range of capabilities, from material solutions to physiological performance, to improving policies in order to provide the overmatch to the 4 percent of the members of the joint force who've experienced 90 percent of our combat deaths since the end of the second world war.

This is obviously a joint problem, one that the Army, Special Forces--or Special Operations Command and the Marines need to have full visibility on, and where solutions need to be joint and department-wide. Can you provide me with your best professional military advice on what about this move could work and what about this might not work for the Marine Corps?

BERGER:

Sir, I'm very familiar with it. When it was--when it was initially stood up, and since, it was run by a retired Marine colonel who I know really well from Falluja, Iraq. So for the Marine Corps, we have been involved in the task force from day one, and still are. The move to shift it into the Army, I'm not concerned about. We work laterally on a lot of programs like the joint light tactical vehicle. It's not an issue at all. But parking it in a service is a good thing

because they're--they know how to run a program. They know how to resource it. And there's great working relationships between services already.

We're--we are--we remain tied it on that task force. We have marines as part of that task force within the Army now. That will continue for all the reasons that you said. That's where the casualties occur.

ROUNDS:

Thank you, General. Today, in the way that we fight our wars, the electromagnetic spectrum is essential in terms of how we do battle. And we use multiple parts of the spectrum.

Specifically, and I want to refer to the secretary's HASC testimony on February 26.

Secretary Esper said that the DoD is willing to share--and I emphasize share--spectrum with 5G networks in the mid-band range of 3 to 4.2 GHz. Secretary Modly, what systems does the Navy have that might be affected, and how could sharing that spectrum space impact homeland defense? And I'd like to specifically point out we're talking about sharing and not vacating that space.

MODLY:

Senator, it would have a profound impact on our Aegis system, and of course we cannot abandon that spectrum. It would have profound negative implications for that system. So as the secretary stated, we're willing to share it, but we have to be very protective of that because it is critical to our ability to defend ourselves as a nation.

ROUNDS:

Thank you. Admiral Gilday?

GILDAY:

Sir, I have nothing more to add to the secretary's comments. I completely agree we need to protect that portion of the spectrum for Aegis for homeland defense.

ROUNDS:

Thank you. Let me go back a little bit on--and talk about submarines.

GILDAY:

Sir.

ROUNDS:

We've talked about building new submarines. I'd like an update, if I could get it, with regard to the midyear refueling--or the midlife refueling on the submarines, the nuclear attack submarines that we have right now. I want to point out I've done this in the past. We're talking about the USS Boise. Now I understand there are three more that are waiting at dock to be able to sequence into drydock to be actually refueled and made available for service again.

The need, I believe, is still there, and you can correct me if I'm wrong, but with these particular submarines we still want them. This could mean that the USS Boise may very well have been out of service for a period of eight years waiting for refueling before it's back in operation again. Can you tell me what we're doing to expedite the process, to bring these submarines back on and where we're at in that process?

GILDAY:

Sir, we're going to begin maintenance on Boise this May. And then we'll get under contract for her--for her extended--for extended maintenance. At the time that these decisions were made on Boise, we had a capacity issue in our public yards, and so we started to then send some of that work to our--to private yards. We're now at the point--and I know you're aware of this--in the public yards we've increased that workforce by 10,000 workers in the past 10 years. And so 4000 in the last three years, I think. And so we have that capacity back. We're actually taking one of our availabilities from a private yard and now moving it back into the public yard. I don't want to imply that we're out of the woods yet, and we're watching it very closely. I think we're in a better place now than we were two and three years ago.

ROUNDS:

We'll be able to--if I could say, we won't have the same problem with the next three in line that we have at the Boise?

GILDAY:

Don't anticipate it, sir, but I'll go back and take a look, and we will brief you in more detail on what that lineup looks like and any challenges that we think we may face.

ROUNDS:

Thank you. Thank you, Mr. Chairman.

INHOFE:

(OFF MIC)

HIRONO:

Thank you, Mr. Chairman. Mr. Secretary, I want to thank you for visiting Hawaii, and I especially would like to thank your wife for the time that she spent with the family of the people who were shot at the shipyard and also the survivor. Please extend my thanks to her.

Over the past few weeks, I have met with several of your colleagues, including Assistant Secretary Geurts--in fact, that was only two days ago, I think, or yesterday--to discuss the importance of modernizing our shipyards. And of course a delay in repair and all of that was just touched upon by Admiral. So I can't over-emphasize the importance of us continuing to go through with the ship--with the modernization plan. And just to let everybody know, the Pearl Harbor shipyard, which is one of the four public shipyards in our country, the Pearl Harbor contributes nearly \$1 billion to Hawaii's economy every year and employs close to 6500 personnel, including nearly 1000 engineers. It is the largest employer of its kind in Hawaii.

And due to the current inefficient arrangement at the shipyard, it is necessary that the optimization plan be implemented to provide much-needed updates. And so I know you are very well aware we need a new drydock and production facility. Funding the critical shipyard modernization program will require a significant portion of the Navy's budget. Does the Navy's fiscal year 2021 budget fully fund the shipyard modernization plan so that it will be implemented over time--on time? And I'm talking about the four shipyards, not just the one in Hawaii.

MODLY:

Yes, Senator, we--this is a high priority for us in the Navy, and we--it is a 20-year commitment of \$23 billion, I believe, over 20 years. So as long as we're here, we'll continue to push for this. We're sequenc--sequencing in the work in the most logical possible way that we can to address the things that you mentioned, which is how the--how the work flows through the shipyards, so make sure that we don't do work now that then we're going to have to take out as part of the longer-term strategy. So yes, it's funded. I believe we're spending almost \$600 million on this this year, and that will continue.

HIRONO:

Is \$600 million enough to keep to the timelines that we have for the modernization program?

MODLY:

I believe it is. I believe it is. I think when we looked at this and we thought about the work and how we would push it through the four different yards, it made sense to do it in this way. Obviously we'd love to have more to be able to do more, but we also have to think about how we don't disrupt the current work that's in there at the same time.

HIRONO:

And of course in Hawaii I'd like to see some concrete actually being poured for the drydock and the production facility sometime soon. Mr. Secretary, in conversations that I've had

with subcontractors that support our shipbuilding programs, I've heard that the guidance associated with the Cybersecurity Maturity Modernization Certification, CMMC, has been somewhat confusing, making it difficult for businesses and contractors to comply. What can you tell me about the current state of the CMMC framework?

And I'm told by the subs that, you know, there are changing requirements that come down the pike, and they do their best to try and comply, but with regard to the new one, which is the CMMC, what timelines are in place for educating, certifying and auditing our defense industrial base, keeping in mind that there are thousands of suppliers, and I assume that all of them need to provide certification regarding the security requirements?

MODLY:

Yes, Senator, that's a great question, and to get--if you'll allow me to get you specifics on where we are in the implementation to that, I will do that. We validated our cyber security awareness to the highest levels in the department with a new office there. I'm sure they're monitoring this, and I can get you specific details. We understand there's pushback from the supplier base, particularly the smaller subs, who see this as an additional cost for them. And we're trying to figure out ways that we can help them perhaps create some shared services for them that they could use at that level. But let me get you a specific answer.

HIRONO:

I think that's really important because we have literally, as I said, thousands and thousands of suppliers, and you know there's always that weak link possibility if we don't provide them with the kind of support they need to comply. Last week Admiral (INAUDIBLE) he is the commander of Pac(SP) fleet issued guidance instructing Navy vessels departing from port visits to remain at sea for at least 14 days before pulling into another port in order to monitor sailors for coronavirus symptoms and this week the sixth fleet followed suit.

How is the Navy preparing for coronavirus and how--how do you anticipate that the virus will impact the Navy's ability to operate overseas? Admiral?

GILDAY:

Senator, we are following the department's guidance which essentially tries to minimize contact particularly in those areas where they know there is a heavy concentration of Corona--coronavirus and it manifest in different ways in different geographic locations. We are receiving excellent reporting from the World Health Organization through to CDC and down to the department on specific areas. Italy and Bahrain are really good examples. The Korean Peninsula is another good example land so we--we are trying to be preemptive and--and preventative in terms of limiting numbers of large gatherings as an example. On a day to day basis we are making decisions on closing DOD's schools based on what we are seeing in terms of caseloads at local hospitals. All of our medical personnel have been trained in the symptoms and if they suspect that somebody does have Corona we test for it and then we send that off to a lab to be confirmed but we also quarantine those people and--and their families until we ascertain whether or not they are actually infected.

HIRONO:

Do you have test kits?

GILDAY:

No, we don't. We don't yet but that is not just a problem for DOD but I think that--I--I think that we are getting to a better place in terms of the production to allow us to be able to distribute those out to the force.

HIRONO:

Mr. Chairman thank you for your indulgence in allowing me to go over and I do have some other questions for the record. Thank you.

ERNST:

Thank you Mr. Chair and thank you gentlemen very much for being here today and Secretary I--I will start with you. Many businesses across America depends on predictable

shipbuilding requirements to maintain a trained workforce and develop manufacturing lines and you are probably not surprised to learn that in Iowa we do not build ships, we do not but my landlocked home state of Iowa is part of the Navy's inventory and pipeline of talent and Carver pump(SP) which I love to highlight, Carver pump and its team of 110 hardworking Iowans supply pumps to almost every Navy ship in the active fleet and they are being installed in many ships currently in production and in total Iowa is home to eight submarine industrial base suppliers. So we are very proud of that. While we are not providing the--the end product to the finished ship we do have those suppliers and so I do understand that the Navy must utilize its funds and invest in assets that reflect the NDS of today, the goal is to modernize our fleet. How are those conversations going with industry to ensure that their production capabilities can meet the requirements in this new era of great power competition?

MODLY:

Well, we have an amazing supplier base in the country but it is under pressure to some extent and so we have to ensure that we are maintaining a steady flow of work through them. The--the carrier program alone if you look at the Ford program right now all employees over--almost 60,000 people across the United States in 46 different states and so when you think about a program like that and not just the employment but the type of employment. This is all high technology, we are bringing in workers, young people, training them in a trade that they can continue to contribute to this process over time and so we have to be really, really careful when we talk about decisions in this space because that national asset that they create is the ship that we see both the national asset they contribute to is the national asset of manufacturing capability and high technology that exist in the country that follows them. So we have to continue to worry about that and think about it. When I go out and speak to industry I--what I find more often is that I find businesses that are not currently doing defense work that are really interested in doing defense work--

ERNST:

Absolutely.

MODLY:

And how do we make it easier for them to do that and so we are working on that.

ERNST:

Right, absolutely and I do appreciate that and we--we look at examples like the Ford, we get very concerned about that because as--as members of Congress we are watching those taxpayer dollars so we are reliant on industry as well to make the recommendations to make sure we are producing the necessary requirements for our fleet but get it out in a timely manner and on time, on target is always best but always having those discussions with industry is important. So thank you for that.

We are all familiar as well Mr. Secretary with this committee's concern for the health and well-being of all of our servicemembers and last year when Congress passed the NDAA for fiscal year 20 we included the provision that directed the department of defense to document blast explosion--exposure history in the medical record of all servicemembers and we have made significant improvements in this area on how we are treating, documenting and understanding the effects and causes of traumatic brain injuries. The progress is encouraging. We still have more that we can do and where we can potentially negate the impact of TBI and can you maybe explain to this committee what the Department of the Navy and the Marine Corps is doing to improve the understanding and prevention of traumatic brain injuries and specifically those coming from blast injuries? Admiral? Okay, thank you.

GILDAY:

Ma'am I can say that about 80 percent of the TBI injuries that we see our off-duty related and we--because of--we benefited, military medicine is benefiting greatly from what we have experienced from Iraq and Afghanistan so we are able to return about 85 percent of those sailors back--back to work just based on--based on the high proficiency of our medical teams.

ERNST:

Very good. I know that in (INAUDIBLE) we are actively baselining many of their members which is something that we would love to do across the conventional forces as well. General Berger would you like to address it please?

BERGER:

Just three quick parts to that. First the protect part, the equipment that we wear, the vehicles, the aircraft a lot of improvement over the last three or four years. We have a lot of room still to go there. Second is the detection part which you mentioned really difficult which relies wholly on baseline upfront which we do as well all of us who have been to Iraq and Afghanistan the last six, seven years all baseline. We did not do that the first deployment. I was not either, have to do that because you can't measure any - make any change from that. And the last part is the treatment which the CNO(SP) mentioned and it can't stop initially. This is an enduring--the impact of that could--could be lifelong so it is different than some other ailments, some other issues that we have. We have to treat it as a long-term issue.

ERNST:

Yes, thank you very much and General Berger you are spot on. It does create complications further down the road especially if we are not treating that TBI. So thank you gentlemen very much. Thank you Mr. Chair.

JONES:

Thank you Mr. Chairman and thank you to the witnesses for being here today and for your service. Secretary Modly I want to ask you about the frigate. You mention the frigate as a key element in our future ship fleets. Can you give us an idea? I've got folks down at (INAUDIBLE) down in Alabama trying to put together a great design and compete for that contract but it seems that the process timeline has been a little bit of a moving target. Can

you tell us right now where we are in that process and the timeline for the frigate contract award?

MODLY:

Senator thanks for the question. We are--the plan had been to award the contract sometime in the latter half of this fiscal year. I have asked Secretary Gerst(SP) to look at possibly pulling that forward if everything is done properly and everything is thoroughly vetted and evaluated and so he is looking into that. So there is some possibility that we may pull that award a little bit sooner.

DOGETT:

All right. Could you let me know if that is--is the case?

MODLY:

Yes, sir.

JONES:

I noticed in FYDP that it includes only nine frigates although originally there were going to be 10 in the first block. Does this mean that the total ship procurement is being reduced or just the procurement timeline?

MODLY:

No, sir. I think this is part of the discussion that we had that we had been talking about earlier about the new integrated force structure assessment and how the frigate plays in that. Based on current plans and current thinking this is where we are but I anticipate as we look at this in more depth and the Secretary of defense can get comfortable with it we are going to look at ways to possibly purchase more of these over time but right now that is sort of where we are in terms of our thinking.

JONES:

Okay. So the--the total numbers have been changed just in this first block is that a fair--

MODLY:

No, no, sir. Nothing has changed in there.

JONES:

Okay, all right, thank you. Sticking with (INAUDIBLE) for a minute I would like to talk a little bit about the expeditionary fast transport, the (INAUDIBLE) can you give me an idea Admiral Gilday where those are being used? How they are being used right now, the EPFs?

GILDAY:

So, those ships are great. We put adaptive force packages on them. And so, some of them are highly classified missions others are to move troops or to--to--to we just used two in an exercise called Pacific Partnership in the Indopacific where we used them for humanitarian assistance and disaster relief. And the--and the two that we have in the budget what we're trying to do with those ships is to give them a medical capability they actually have a 750 ship--750 room hospital as well as 12 operating rooms. And so, because of the cubic foot--foot--space that you have in those ships you can really do a lot with them including their flight deck.

JONES:

All right well I'm--I'm asking because you got two in--in this budget but the President just took away one that was set to be awarded I think in April of this year it's a \$260 million contract again. And if--I'm--I'm curious as to if that particular ship could have been used the same way why was it taken out?

GILDAY:

Sir, I can't tell you directly why it was taken out I know that--I know that those decisions were made at a--at a higher levels based on priorities, strategic priorities so I just don't have a direct answer for you on why.

JONES:

All right I may submit--submit a question because Secretary Es--Esper's answer was just not satisfactory yesterday especially in light of your testimony today and I want to emphasize again I think just taking the funds away from our sailors, soldiers and airmen is wrong, it hurts our men and women in--in uniform. And it--and it quite frankly hurts my community in Mobile where we are taking away that. Cause we got a lot of folks down there that are dependent on OSTL(PH) and the ships that they build.

Secretary Modly, let me just ask you real quick--when you talk about you mentioned last week I want to just talk about the--the 355 main ships may not longer be the right number for our force. And you mentioned that it could be as high as 390. Can you kind of give me some ideas of where all this s coming from and how you are making those assessments and what you are looking for?

MODLY:

Well, sir, it's strategy based. Based on the threat, what we see the threat that's emerging how we would want to counter that threat not just in terms of the warfighting scenario but in terms of the deterrence and presence. And so that's what's--that's what's driving it. What's driving the change in the numbers are some of the things that I mentioned earlier in terms of the--the requirement for a new smaller amphib, a new combat support vessel as well, possibly more frigates as you mentioned earlier. That's where sort of the numbers are elevating when we start looking at the difference between this and the 2016 assessment.

JONES:

All right. Are we going to be able to see that 30 year shipbuilding plan and force structure assessment pretty soon?

MODLY:

I--I hope so, sir. I'm--I--I've seen it. I just need to make sure the Secretary of Defense is comfortable with it.

JONES:

I would encourage you to try to get that to us as soon as possible, please. Thank you. Thank you, Mr. Chairman.

PERDUE:

Thank you, Mr. Chairman. Thank you for being here. You know, these concerns about and the ringing of the hands about this budget would be--would have a whole lot more credibility if we had heard that when the three times in the last 50 years we had three presidents in the late 70's, in the mid 90's and just recently cut our military spending by 25 percent. That is what this is about today. We are trying to recover. You have done a marvelous job in the Navy and the Marines getting our readiness back. I want to commend you guys for that.

Today, I want to talk about shipbuilding. When we get this budget we're supposed to get a shipbuilding plan, Secretary Modly. When--when will we--should we expect that.

MODLY:

Sir, I'm hoping to get it over here as soon as possible. But frankly, it's not my call I'm waiting for the Secretary of Defense to allow us to bring it over.

PERDUE:

I understand. Admiral Kilby this week--yesterday, as a matter of fact, did a great job explaining his requirements, Admiral. He talked about his four priorities, Columbia class, readiness, recovery, lethality and capabilities we can afford. I respect that.

The question and I want to highlight the NDS, the 355 ship number was developed in 2016. Prior to the NDS is the 355 number consistent with the NDS requirements put on Navy and Marines?

GILDAY:

It's low, sir. So, so--

PERDUE:

Honest man.

GILDAY:

The short answer--so since the time that assessment was done and if you consider the fact that we are integrating much more closely with the Marine Corps and within the joint force you have to consider not only what we are going to fight with, the capabilities, but also how we are going to fight. And so, that's translated against a threat that has increasing capability in our larger number of ships--larger number of--larger number of more capable, lethal ships.

PERDUE:

So it has to do several things, right? What's your responsibility against emerging threats? You said that. How are you going to fight the force and then what kind of lethality you have. So you are working on (INAUDIBLE) that were not hamstrung by NF. We know that China has out--they out stick us today. Is that fair?

GILDAY:

In some areas, sir. Yes.

PERDUE:

OK. Secondly, they have about 350 boats today to our 296 by my math I think that's correct directionally.

GILDAY:

Yes, sir.

PERDUE:

If you look at what they've said publicly by 2030 they'll have 425 and if that--that same gradient goes out by 2034, which is our planning period behind the current shipbuilding plan--we would be at 355 by 2034 that's the 2016 plan. That may change in the current shipbuilding plan that I understand.

We have an 80 boat shortage right now. And we have responsibilities in multiple AORs they pretty much have one. Are you concerned that our shipbuilding plan is not going to be able to do what we need it to do over that 15 year period? Particularly, against the build up that we see China they deployed more boats in the last 30 months than they have in the last 30 years. So, we see their activity. They are telling us what they are doing.

GILDAY:

Yes, sir. Simply, it really comes down to our topline, right? That's our biggest constraint in terms of growing a bigger Navy. Since I've been in uniform the size of the United States Navy has been dwindling. Over the last few years we've come up--we've come up in numbers a bit but not a lot. And so, we believe based on the NDS and for all the reasons we just stated that it's time to reinvest in the naval force.

PERDUE:

Well, it would be one thing if we could fund it and let's take submarines as an example. Your number one priority is Columbia class I'm proud that Georgia hosts one of the two nuclear bases that--that host those. But we've lost from--in the last decade 17,000 vendors submarine vendors down to 3000 vendors. Even if we were to push the money towards this goal to get to where we need to be can we rebuild the supply chain fast enough to accommodate that?

GILDAY:

Sir, based on what we know we think we can. Based on what we--we're projecting in terms of submarines as an example in terms of what we are procuring that--that--that that vendor infrastructure is in place to support that.

PERDUE:

Can I move on to one other thing? The Air Force is developing ABMS right now and that looks like they have had one demonstration across the services I think there's another one coming up in April. How involved is the Navy in looking at this from the service needs as well as the data that the Navy will be creating?

As I understand this--this is a very classified development. Can you give us an update about the Navy's involvement and the Marine's involvement on that?

GILDAY:

Sir, so the--the problem set is that we have netted weapons and we have netted platforms and netted C02 nodes but we don't have a net, right? So, all the services have come together under a concept called joint all domain C2 and we're putting heat on it--the Manhattan Project like effort so that we're not delivering this in the mid-2030s but in the 2020s. All the joint chiefs are flying out--flying out to Neles(PH) in early April to take a look at this together to make sure we understand how we are going to get after it as a priority.

PERDUE:

Thank you so much, sir. Thank you, Mr. Chairman.

HEINRICH:

Thank you, Chairman. Secretary Modly and Admiral Gilday I am quite encouraged to see the priority that the Navy continues to place on hypersonic weapons. As you know, Sendia(PH) National Lab has played a critical role in developing this technology over a

number of years now. How would you characterize the combined Navy and interservice effort to transition hypersonic glide bodies out of the labs?

MODLY:

Well, thank you for that question. I was actually in Sandia a few months ago and got to see what they are doing out there and it's really amazing work and I'm actually very encouraged about the fact that we're working together with the Air Force and the Army on this because it is an expensive proposition. And we need to pool our resources and our brain power to get after it.

So, I think that the pro--the progress is good. We significantly ask for a significant step up in funding this year in order to do this. As I look at the test schedule it looks--it looks aggressive but I think it's doable. So that's probably all that I can talk about in an--in an open forum. We'd be more than happy to come over and have our team brief you on how we are doing on that--that.

HEINRICH:

Would there be value in collocating the development and the production of those capabilities so that we can fully leverage synergies, expertise and frankly, short end the feedback loop in that transition from development to production?

MODLY:

Well, I think anything that we can do that can accelerate the process of getting these fielded would be--would be important. I think one of the biggest challenges we have right now is the--it's not the technology and how to develop these missiles but it's the production. How do we get this into scale over time. And--and that is a challenge because we don't have an industrial base that can really do that right now.

So, we're looking at ways that we can help

MODLY:

accelerate that through Some incentives, etc. to--to put some funding out there so that we can accelerate the--the creation of the industrial capacity to produce at scale.

HEINRICH:

Well, I hope you'll consider us a partner in that effort. I want to switch gears now to the--the Navy has been conducting a live-fire test of its experimental electromagnetic rail gun at White Sands Missile Range in New Mexico over the past year. But the FY21 Budget includes pretty minimal funding for this capability. What's the need for these plans to continue developing this program? And for that matter, to mount it on a ship for at-sea testing as well, Admiral?

GILDAY:

Yes, sir. So the testing is going to make the testings going rather well. What I'd like to do, sir, is come back to you in a classified setting and talk to you in more detail about where we are with that and where we want to go.

HEINRICH:

Okay. Do you--can you--in this setting, can you comment on the--the resourcing in this particular budget?

GILDAY:

Sir, the--the resourcing right now we think is adequate based on the amount of effort that we have to make that we have ongoing. So, we saw--we sell more money in the budget last year, based on what we needed--what we need to do in terms of--in terms of R&D, but we're more--more of a study state at the moment.

HEINRICH:

Okay.

GILDAY:

Going into the '21.

HEINRICH:

Let's--let's talk Columbia class for--for a moment. I--I think this committee understands the importance of that modernization to the nuclear triad. What--what are your contingency plans if the Navy does not make the already very tight timeline for Columbia? And where would you accept risk?

GILDAY:

Sir, that would be best handled in a classified setting. I will say that we've had those discussions with the secretary of defense and you can't just consider one leg. You have to consider the triad and how you'd balance risk across the triad based on challenges you face in the modernization efforts across each of those legs. But we are having those discussions, sir.

HEINRICH:

Okay. Thank you, Chairman.

INHOFE:

(OFF-MIC)

TILLIS:

Thank you, Mr. Chairman. Gentlemen, thank you for being here and for your service. General Berger, I'll ask you just one detailed question. I've got a few others. Hopefully, I'll have time to get to. With some of the military construction many, I think it was somewhere around \$40 million affecting Camp Lejeune as a result of the executive order.

I understand there were two projects down there that have been pushed somewhat to the right. Can you give me somewhat of the status of those projects and whether or not we are in any critical timing in terms of backfilling the funding?

BERGER:

I'm familiar with both projects. Both were deferred. We'll have to postpone the second radio Battalion building and--and the second project as well. Right now, not critical. But if they got pushed farther then, it would become a significant issue.

TILLIS:

If I could get to make just for the record if I could get specific dates on when that really hits the critical path. I would appreciate it. Then-Secretary Spencer assured me that it wasn't a--a challenge now, but it could be. I'd like to know the specific timing. Thank you for that.

Now I've got something that--that would be for Admiral Gilday and for you, General Berger and--and maybe--and maybe the secretary as the tiebreaker. And it's--it's the discussion we're having with FRC East, getting the funding to be best prepared for the--the F-35. We've got a bit of a stalemate there.

We've made some progress with the security fence, with the lift fan facility, but a lot of the infrastructure is sort of Navy own facility, Marine requirement. Every time I ask a question about use going to actually own that and how are going to get the funding, I get you need to talk to the Navy, or you need to talk to the Marines. Do we have a definitive answer on that? And where this is on the priority list?

GILDAY:

Sir, I can say that--that FRC is one of our three. It is part of the optimization plan that we have. And we're putting money against all three of those facilities right now. With respect to the--the potential finger-pointing, I would like to get you a deeper brief on that. The Commandant and I and our staff can come together and if there is an issue. We will definitely resolve it.

TILLIS:

That is a--that's--you answered my question before I asked it. What I'd like to do if we could is just in a--in a meeting if we could get the stakeholders in the room and--and I can get a definitive readout I would appreciate that. So, I have your commitment of making sure that happens?

GILDAY:

Yes, sir.

TILLIS:

Thank you very much. General Berger, you mentioned about the--some of the review that you're doing for the--the acquisition programs review. What's the current status of that? When should we see a report out?

BERGER:

We've done the first part of it, Senator. The next step is to--for me to explain where we stand with the chair and ranking members of the four committees here and I'll do that this week and next if we can get through the scheduling part of that. After that, then we'll obviously go broader in terms of the--explaining the details. But I--I'm--it's important that I explained to those senior leaders in Congress. First, what the outcomes are, so we've done the first part.

TILLIS:

Okay, thank you. I'm--because my time is going to expire here fairly quickly, I'm going to submit some questions for the record about in strength, (SP) and a few other questions that we'll just look forward to hearing back from you.

In my remaining time, I'd like to talk about military housing. You know that we've spent a lot of time and effort to make sure on the one hand we were concerned with the nearly \$40 million that sliding to the right.

On the other hand, we have succeeded in getting billions of dollars down to help with recovery. What's the status of that recovery? And specifically, how is the military housing situation?

I'll let you know, and everybody else, that I'll be doing another town hall down there to hear directly from the military families. I think that's very helpful because for some strange reason I announce it six weeks in advance, all the service requests tend to be done by the time I get there. But I'm hoping they're beginning to do it on a--on a more consistent basis. So if I can get an update on both of those projects recovery with respect to Camp Lejeune broadly, and then specifically for military housing.

BERGER:

Camp Lejeune broadly--first of all, the town halls are--are your spot on. I mean, you--on announced is better and you're going to get unfiltered kind of feedback from families, the way it should be. The way that we want them to--to be, so I think you for that because it takes time.

On the housing, there's about 520, give or take empty family housing units at Camp Lejeune that the private partner owns. Some of them are repairable. Some are not. And that's part of the discussion that goes on right now, the--not negotiation but the dialogue between the department and the vendor about what to do about the 500 vacant houses.

There's about 15 families--I think 15 right now that remained in damaged homes at their choice. We could--we offered to move them. They elected to stay there. The damage, in other words, from the hurricane was they were okay because they were going to move anyway, so they just stayed. So we allowed them the choice either way.

The funding for the last two tranches of supplementals, all of the I think \$837 million from last year put on contracts, so far, I think about \$157 million. This year, we will be able to obligate all that you provided from last--from the last--the second tranche under--in this fiscal year. So I think by the end of ask--this FY, both charges will be fully under contract.

INHOFE:
(OFF-MIC)

KAINE:

Thank you, Mr. chair. And thank you to the witnesses for your service. I wanted to just pick up on a point that Senator Purdue made a few minutes ago. He took--he expressed some concern about handwringing over the budget and--and said, you know, I wish I had seen concern in the past when budgets are being cut.

And look, to the extent that Congress has done bad things to budgets in the past, we need to own it. My first speech as a Senator in February 2013 was a speech on the floor saying we shouldn't do the sequestering budget caps. It's a bad idea.

I think the reason there's handwringing now is that Congress has learned our lesson, and we're trying to do good budgets for the military. And what we're seeing is the drain of billions of dollars out of the budget for nonmilitary emergency at the southern border. Here's--here's what we're doing within one year.

Within the last year, the administration took first \$6 billion, 3.5 billion from MILCOM, and \$2.5 billion from other programs into the counter drug fund to use for their wall. So that was \$6 billion out of the DOD budget. They've announced to make the administration has now announced another \$3.8 billion. That's being cannibalized out of various accounts and put into the counter drug fund. So now that \$9.8 billion.

And yesterday, Secretary Esper in the hearing announced that there will likely be another tranche taken from MILCOM. It's been reported that would be \$3.7 billion, but just rounded down and say that numbers too high. It looks like the total within a year will be \$13 billion, more than \$1 billion a month taken out of Congress appropriated budget for your needs, for the nation's needs to use for a nonmilitary emergency that's not mentioned in the National Defense Strategy.

Let me just put that into context. What is \$13 billion mean to sea power, to our Navy and Marines? \$13 billion, it's one carrier or its for Virginia class subs. We're arguing about whether there should be a second set of this year. \$13 billion is for subs, it is six destroyers, it is a four amphibious assault ships. Secretary Hirono(SP) ask about the shipyard industrial optimization plan. That 20 year plan is \$26 billion so the \$13 billion would be half of the 20 year plan to modernize our shipyards or the other way to look at it is when you all submitted your budget this year you submitted the amount of unfunded priorities you have. That total unfunded priority list for the DOD is \$17 billion. \$13 billion in one year taken for a nonmilitary emergency when your total unfunded priority list is \$17 billion. I'm going to say right now if there is a Democratic President who tries to take money out of the DOD for a nonmilitary emergency I'm going to say go get it through the appropriators, don't ransack the Pentagon's budget for a nonmilitary emergency. I've stood up against Democratic or Republican presidents if I thought they were taking us to war without coming to Congress. I'm going to stand up against a Democratic President who tries to raid the Pentagon budget for nonmilitary emergencies.

You are here saying we are trying to be focused on the National Defense Strategy, it is a resource tied environment. It is sort of hard to take that at face value when we are allowing \$13 billion to walk out the door for nonmilitary emergency in one year.

I want to offer you a compliment General Berger. You made I think a challenging call but the right call recently when you announce that Confederate paraphernalia would be removed from Marine bases as a good order and discipline. I saw that announcement and as a Virginian with a child in the Marines I applaud that leadership move.

Secretary Modly I want to ask you to share a story that you shared with me with all of my colleagues. Secretary Modly was in the Federated States of Micronesia recently and this is a story about U.S. and China what we are doing. Micronesia is a really important asset for us, where it is situated in the Pacific. Just share what is happening in terms of U.S. investment versus Chinese investment from your recent visit if you would.

MODLY:

Sir, thanks for remembering a story. I was there about a year ago and I made a trip through several Pacific islands and I went to Micronesia and went to the far side of the island and there was a Navy CB(SP) team there, great group, 24 CBs building a school for the local citizens there. Very traditional construction concrete pilings, corrugated steel roof, plywood sides making great relationships with the locals. As you leave this facility and you drive down the street there's a big sign Micronesian agricultural center being paid for and built by the People's Republic of China and it just gave me the impression that in some of these areas where we have traditional long-term friendships with these nations who want us to be there partners and we are playing small ball.

KAINE:

We--we removed all Peace Corps volunteers from Micronesia--

MODLY:

We also--

KAINE:

--in 2017 and from Palau.

MODLY:

Yes, sir, and in the embassy building there I saw a bunch of signs for the old Peace Corps and I said why are these here? They said well, we shut down the Peace Corps here and they had been there since the beginning of the Peace Corps and people in Micronesia know Americans because of the Peace Corps so it may not extend to the entire Pacific region but it was an example to me of particularly how we need to step up our involvement there and not just militarily but in other ways.

KAINE:

Thanks for sharing that story. Thanks Mr. Chair.

SCOTT:

Thank you and first off thank--thank each of you for your service. Secretary Modly thank you for engaging with us after the terrorist attack in Pensacola trying to come up with the right plan to make sure this doesn't happen again. You know we--I will be talking on the floor today about the three individuals that lost their lives there and it was devastating to them and their families but also to that base and that community and so but thank--thank you for engaging with the sheriff and everybody down there.

The--you know I think we--we had a hearing yesterday Senator Ernst shared a hearing on the emerging threats and capabilities subcommittee and we talked about Pensacola and what--what could we do differently and my concern is that we are--we went right back to the normal work pretty fast. We didn't you know we talked about 21 students got sent home for a variety of things and we are now vetting differently and but are we you know--should we have a complete reset of the program so we know these--it is not going to happen again we've got 850 Saudi students here and we want to build our relationship with Saudi Arabia. I talked to the Saudi ambassador and said the worst thing for you would be if we had another instance like this soon I mean I think the American public would be up in arms that you can't keep doing this. So I am working on a proposal with--with Senator Ernst that would--and I would like to get you all's feedback about how to that the students, how to get them the right kind of visa and make sure we are not doing programs here that we could do in another country less expensively and with--with less risk.

So what do you all think about the fact that you know we still have and we have what? 5000 students from around the world there but my focus right now is because of what happened in Pensacola is the Saudi students that very few were actually sent back and are we really able to do a real vetting process the ones we still have here? Are we vetting their families? And how safe are our bases? When I was in the U.S. Navy I never would have thought that there would have been in the risk on one--on the base I was on.

MODLY:

Senator, thanks for the question. I think we--we are doing all we can I think to step up the vetting process for the students and to have a better sense for not just vetting them before they come in but to develop some process in collaboration with those countries to perform more continuous vetting of particularly social media or some of the things they are doing that doesn't require us to do anything illegal to do that we can monitor things that are in the public sphere we just haven't applied the resources to it and we are looking at very--a variety of different ways that we can do that.

One of the key elements I think also is just part of the purpose of these programs is to bring these people in and have them understand us as a nation better and I don't think we were doing such a great job with certain countries and bringing them in, sponsoring them, having local families getting to know them in particularly with the Saudi students because there were so many of them they were very insulated and not really a part of the broader community and so we have to really focus on that as well.

SCOTT:

So are you--do you think you will be able to measure because that is what I have been told, I have been told the many of these countries like they said you know if it is an Italian student that everybody gets to know them and there's a long-term relationship but I have not talked to anybody in the military today that since they have a long-term relationship with a Saudi--you know somebody that was a Saudi student, they might have it--they might have it later if they are in a position of leadership but based on the relationship as a Saudi student I haven't talked to anybody in the military that has one and so it makes you question well, why are we doing this and having this risk. So the--are you--how were you doing with dealing with families that come? Are we vetting them and are we continuing to vet them when they are here?

MODLY:

I think that is all part of the process that we are doing in terms of getting a better understanding of who is coming in, what their backgrounds are and just doing it a little bit

more--a little deeper dive into that than we use to do.

SCOTT:

Well, I look forward to working with you. We--we have been working with Senator Ernst and some others about coming up with a better way to do it to make sure these bases are safe so thank you very much.

PETERS:

Thank you Mr. Chairman and thank you gentlemen for your testimony here today. General Berger you have discussed the need for an appropriate balance between manned and unmanned systems including incorporating unmanned aerial combat vehicles and the low cost attributable aircraft technologies into the Marine Corps.

In a commentary you off third for war on the rocks in December 2019 you listed 11 Naval expeditionary capabilities and capacities that support fleet operations which the Marine Corps is under invested in. Notably that list started off with three different types of unmanned platforms for every physical domain in which you fight and I agree with your assessment then know that we will need a mix of fifth-generation manned platforms like the 35 that provide us stealth capability along with an array of sensors teamed with unmanned systems that can address survivability challenges in further con found our adversaries decision-making through these new technologies working together.

The Marine Corps stated requirements for the manned F 35 as certainly a matter of record but I have not seen your requirements for lethal unmanned systems. Do you still intend to pursue a large number of lethal unmanned aerial systems per your commandants planning guidance and recent public remarks and if so can we expect to see those desired capabilities articulated in the next Marine Corps aviation plan?

BERGER:

The homework that went behind what are we going to need to fight in the future that we spoke of before that both the Navy and the Marine Corps have worked on for the past maybe

nine, eight, nine months drove me towards that conclusion.

Will we see it in the next budget and will we see it in the next av plan--aviation plan? I don't know. I think yes. But the first step is to--the first step is to figure out how you are going to fight and then reorganize the Marine Corps for that purpose which we have to do. Which is part of the rounds that we have to make to the senior congressional leadership to explain that--that part to them.

Then we'll--I--I would hope that it's end of 22 and 23 budget, yes, sir.

PETERS:

All right, thank you. Secretary Modly, the--the national defense authorization act for fiscal year 2020 requires you as the Secretary of the Navy to by January 31st of 23 to and I'm quoting from the law, publish a military specification for fluorine free firefighting agent for use at all military installations and ensure that such agent is available for use by not later than October 1st of 2023. I'd like to note although it's October 1st of 2023 of course, you are free to publish it before that time and would encourage you to--to do that.

It's my understand that there are large scale commercial airports around the world that have adopted PFAS free firefighting agents already. And I recognize the military context is--is different and it's essential that we put the safety of our men and women first and foremost number one.

But I'm optimistic the Navy will be able to find an--a appropriate solution given what's happening around the rest of the world. Could you provide us with the update on the progress towards publishing that specification and what work has been done to date on that effort?

MODLY:

I--I share your optimism on that. I think we'll--we'll figure this out. It is a--it is a world--it is a global challenge a you mentioned in the United States specifically as well. All of our firefighting civilian firefighting folks use this material and it is a challenge for us. However,

there is a lot of attention being in the scientific community look at this. Our office of naval research is looking at this and I'm--I'm confident that we'll come up with an answer on this.

So far, we haven't. And so, particularly on our ships we are continuing to use it but we--my sense is that we're--we will make progress on this and get an answer.

PETERS:

And, I'm sure you're working with our allies who are also actually deploying some of these agents so I appreciate that.

General Berger, our last question. For the defense technology and innovation industrial base in this country, in the remaining seconds here--what would be your message on the technologies and capabilities to pursue and invest in that you urea going to want to acquire for the Marine Corps of the future?

BERGER:

First is the how part. I think we need to be better listeners than spend a year or two developing a detailed set of requirements and dump it on industry and then ask them--what do you think? That collaboration has to start form the very beginning and it--and it is much better than it was I'd say five years ago.

What do we need? We need from the individual marine to the small unit things that make them more survivable, more effective and lethal in a very austere environment without the big logistics tail behind them, which has been our--our challenge so far. Cause we assume that that logistics tail like the command and control that the threat is going to go right after it. They are going to g after those two aspects of our warfighting capability. So it's--it has got to be tools that a Marine can use forward, can fix forward not call a contractor but he can sustain them forward, he can repair them forward and it isn't so logistically burdensome that it's really difficult to keep that unit reinforced forward.

PETERS:

All right, thank you.

SULLIVAN:

Thank you, Mr. Chairman. And, gentleman it was great to see you three at the Army/Navy game. I was going to comment about the result when Senator Reed was here but since he left I thought I would leave it at that. General Berger, I want to compliment you on the commandant's planning guide. I read every word of this. It's outstanding, innovative, bold. I--I want to thank you and your team for the exceptional work that you put into that.

One topic I wanted to briefly discuss, General, had--I've had good discussions this week both in meetings and then in the hearing that the Secretary of Defense and Chairman had yesterday on the force posture that we have in the Asia Pacific given the National Defense Strategy including the DPRI that has been a subject of a lot of focus of the Marine Corps for I think two decades now. They are very focused on broader, strategic look that can sustain our force posture and strategy for the next 50 to 100 years, which I think is important. You may have seen in the NDAA that was just passed 2019, there is a provision that says we need to do that as well. The Secretary of Defense or Secretary Chairman of Joint Chiefs. The Marines will be critical in that. Can you briefly comment on your thoughts on that?

BERGER:

Thanks, Senator. I'd share--I won't speak for you but I--I've heard you speak before that and I--I've said the same we are posture perfectly out there for another Korea in 1950.

SULLIVAN:

Or the end of World War II, which is (INAUDIBLE).

BERGER:

Exactly right. It was an ideal posture for that.

SULLIVAN:

Right.

BERGER:

Not ideal for what the national defense strategy outlines as the major threats going forward in the Indopacific. So we have to adjust it. I don't--I don't see any alternative.

PETERS:

Well, the Secretary and the chairman were very bullish on looking hard at this as well and I know the marine Corps has done some good work on this and we want to help you this--I mean not help you but work with you this committee has been very interested in this issue from Senator McCain to Senator Inhofe and myself. So we'll look forward to working with you on that.

I want to turn to the Arctic. Senator Kane and I had a subcommittee readiness subcommittee hearing this week. Quite a good hearing. I want to compliment the Navy and the Marines on their recent Arctic expeditionary exercise out at ADAC and Seward. Difficult training. I know that wasn't easy crappy weather, but clearly the Arctic has become a theater of great power competition. I have a slide that I think some of you have seen. This is the Russian build up in the region. And it's not just forces. It's ports and air fields and infrastructure to have force power protection. We don't really have much there.

I want to--I want to give you a sense of questions here. Three questions--what's the and then maybe you can all--Mr. Secretary, maybe you can take this on--you know, the DOD Arctic strategy says there should be FNOPs I don't think we have the capability right now. We have two icebreakers--one is broken. The Russians have 54. There is also twice now mandates to look at strategic Arctic ports, which have kind of been ignored by the Pentagon. And, General you know General Miller had some plans in addition to what was going on in the region with regard to the Marines in the Arctic. Can--can the three of you just discuss these? Mr. Secretary, maybe we'll start with you.

MODLY:

Yes, Senator. Thanks. I--I just recently within the last two weeks had a conversation with Secretary McCarthy and Secretary Barret(PH) about how the Navy and the Army and the Air Force Departments can get together to come up with a--a combined strategy in terms of basing presence, etcetera to address this--this Arctic challenge. And clearly your--your home state will--would be critical to this in terms of where it is strategically located and so we are developing this team now to take a look at this. And obviously, once we get that assembled we would love to come over and talk to you about it.

SULLIVAN:

Great. We appreciate your initiative on that. I got your note so thank you very much on that. Admiral, any thoughts you know, on the FONOPS? We've talked about this before you know, I have a think I've mentioned it t you in hearings, but a proud history in my family--five uncles and great uncles who served in World War II including my Great Uncle Tom, who was a lieutenant in the Navy and did mer--three Murmansk runs. I worry that we don't have that capability right now. No ice hardened ships, of course, this committee has authorized the purchase of six polar class icebreakers which is a--which is a start.

Without any kind of strategic port and we don't have anything near the Arctic. The closest thing is Anchorage, that's 1500 nautical miles away. We can't project power and we need to to defend our strategic interest--particularly, the Navy. What's your thought on that, sir?

GILDAY:

My thought on that is that I--I think that if we are going to talk about--if we are going to talk about force structure, infrastructure in Alaska I really think DPRI is going to be a subset of an IndiPaCOM strategic lay down.

SULLIVAN:

I agree with that.

GILDAY:

So, we are making you know, from a joint perspective we are making the right decisions and then, secondly, with respect to operations in the Arctic, ISCs right now two submarines, two British submarines. We just, in the tail end of a--of an exercise with the Norwegians--the Navy and the Marine Corps, as well as another multinational exercise ongoing--we're seeing an increasing drum beat of operations in the high north. I think we need to continue that.

I think that FONOPs will be important. I think that the Bering Strait will become strategically as important as the Strait of Malacca or the Strait of Hormuz at some point.

SULLIVAN:

Putin certainly thinks so.

GILDAY:

Yes, sir. Based on the--based on what is going on with the ice cap. So, it is getting more focused, sir. I do think that taking a pause and looking at it strategically would be a--would be a good move.

SULLIVAN:

Great. Thank you. Thank you, Mr. Chairman.

DUCKWORTH:

Mr. Chairman. Secretary Modly, I wanted to follow up on a conversation I had with General Lyons of TRANSCOM last week. When discussing Sealift readiness, he stated that our current readiness level was lower than where it needed to be, but noted that TRANSCOM is working to recapitalize Sealift capabilities. We agreed that, while sealift is just one of the Navy's many requirements that you must balance, it is essential for TRANSCOM to be able to do its job and help get our forces to the fight when we need it. General Lyons raised the possibility with me of using the national defense Sealift fund to make progress towards our Sealift recapitalization goals, but I believe that the Navy hasn't added anything to that fund

since fiscal year 2019. Could you please share your view on reinvigorating the national defense Sealift fund? And if you dis--if you disagree with that approach, what would be an alternative approach in prioritizing recapitalization of sealift capabilities?

MODLY:

Senator, I--I absolutely agree that we have to recapitalize our Sealift fund, this is--or our Sealift capability. Where the funding comes from is the challenge for us, and this is another one of these pressures that we have in the Department of the Navy particularly because we're reach--we're reaching a point in history where we have to recapitalize our nuclear deterrent, at the same time recover from some pretty big holes in readiness, and also do this, which is to recapitalize our--our--our Sealift. So, we're making choices, we're making some trades, but we're going to need some help I think from a budget perspective to be able to--to do it as aggressively as I think the TRANSCOM commander would want us to do.

DUCKWORTH:

Wh--what do you think about u--using the fund? As an avenue for--for providing the resources for that?

MODLY:

Senator, I don't know--I don't--I don't know that the fund has funding. I don't know if it's similar to the strategic deterrence fund that we have, as well, that is a fund that gives us some authorities, but it doesn't really have any funding attached to it. So, I'll have to get back to you on that specifically in terms of what's there, or what we need to put into it.

DUCKWORTH:

Okay, thank you. I was disappointed that this year's budget baseline proposal omits key investments in sealift and logistics that we should be prioritizing now, and we sort of talked about this. And as you said, there's a lot of unfunded priorities, but--but the list of unfun--unfunded priorities includes tens of millions of dollars for emergency repairs to sealift shifts identified by TRANSCOM, and advanced communications gear for the military sealift

command ships. Then, in your February 18 memo, you--that kicked off the Navy's stem to stern comprehensive review, you highlighted naval logistics as an area that could be "streamlined" when searching for billions of dollars' worth of savings. So, can you help me reconcile this? How can it be a priority, but then you're talking about this is where you can cut, or am I misreading--misunderstanding what you mean by naval logistics would be streamlined. I mean, how do you plan to build up and sustain a growing fleet of ships without prioritizing a strong logistic network? I mean, how--how--who--who picks up the slack?

MODLY:

A thing, Senator, I think that that particular memo went out to the entire Department of the Navy to look at every possible way that we can look at doing things better and more efficiently. I don't think anyone would argue that our department, from a logistics and supply chain, is world-class with respect to cost, distribution, the business systems that support it. We have multiple redundant business systems that--and every one of them takes a budget line every year. So, we have to think about how we can do this better and more efficiently, more closely approximate some of the advances that have been made in the supply chain management in the--in the commercial sector over the years. And that's what I was talking about when I talked about logistics.

DUCKWORTH:

Okay.

MODLY:

Logistics demands are going to keep going up. If we keep doing it the way we're doing it now, it's going to cost us way too much.

DUCKWORTH:

But we understood and agreed with that. On the other hand, we need to make sure that we actually put further investments in our logistic capabilities, and we're not talking with just

sealift, but also heavy lift aircraft. We also need to be talking about how we project fuel forward, everything that sucks gas, needs fuel. And if we're going to be present in the Asia-Pacific region, then we need to be able to project into the region beyond the first 72 hours. And so, that's a real concern that I have. Thank you. I yield back, Mr. Chairman.

HAWLEY:

Thank you, Mr. Chairman. Thank you, gentlemen, for being here, thank you for your service. General Berger, let me start by saying that I really want to applaud your decision to refocus the Marine Corps on the sea denial mission so, thank you for your leadership in that area. And thank you to you and your staff for keeping Congress informed and--an onboard with this as you've led the Marines in this new direction. Thank you very much for that.

Let's talk a little bit about Fort Leonard Wood in my home state, if we could for a second. General--Admiral Gilday, Fort Leonard Wood has had the opportunity to train mill--many of your Marines and sailors at its engineering, police, and CBRN schools. Can you give us a sense of how this opportunity for joint training has benefited your respective services, both from a training and resource management standpoint?

GILDAY:

Senator, not in detail, except that I--I haven't heard any problems and so--

HAWLEY:

--Well, that's good.

GILDAY:

But I cannot--I cannot comment on--I cannot comment on that training.

BERGER:

Just a couple words, Sir. First, most--Marine Corps's the smallest service, sir, we don't own all our schools. Most of our Marines go to other service schools. The benefit in--in the

particular case you're talking about is you're learning a trade, it's a military occupation, but it's a trade. You're learning alongside somebody you're probably going to serve with later on from another service. So, the benefits are, one, you do away with the myths. Two, there's some standardization and how engineers operate, how military police view a problem because you're operating side-by-side, you're not in four different schools doing it. I think, for us, there's an economic benefit. We can't afford our own school, two, the standardization thing is great, and three, they actually--it may be the only time, but if not, it's the first time you're going to operate alongside somebody from another service. So, it does--it tamps down all the myths about them.

HAWLEY:

Very good. Thank you for that. We're obviously very proud of Fort Leonard Wood and the work that they do there. Glad that they're serving you well. General, back to sea denial, can you give us an update on your rogue fires and ground-based anti-ship missile programs in terms of where they are now and their timelines for fielding?

BERGER:

Both of the capabilities you speak of have--in war--in wargames and in simulation have proven if--game changer is probably an over-the-top characterization, but it definitely changes the calculus of an adversary because right now that capability is something we don't have. And it--posed with that, they have to act differently. Rogue fires, in particular, on a great glide path. We are investing in it. Do I--do--you know, who knows if that the solution 10 years from now, but we are going down that path right now. Ground launch cruise missiles and everything long-range precision fires that's in a small enough format that a small Marine unit can embark it, can use it, we're after it. Yes.

HAWLEY:

Very good. From an ISR and C2 standpoint, what would you say, General, are the most important programs for ensuring that Marine Corps fire units have the targeting data they need to perform the sea denial mission?

BERGER:

Some will say, and I think there's a logic to that, that they're kind of agnostic. I don't care where I get my fire--fired data solution from or what ISR platform, I just need the data. And there's truth in that. On the other hand, we need organic naval ISRs so that that expeditionary naval force, it's operating in--either in UCOM or in the first island chain or wherever, has the means to pick up the targets forward in an expeditionary manner. And they got to be able to launch and recover from naval platforms from shore, and they've got to be small enough, if they're going to be embarked with us, that we can sustain them. Right now, we've used MQ-9s for the last year and a half in Southwest--in Helmand province in Afghanistan as a learning platform for us, how to close that kill chain organically.

HAWLEY:

Very good. Thank you. Secretary Modly, Admiral Gilday, come back to you, Admiral Davidson recently testified that about half of his attack submarine requirement, only half is being met in the Indo Pacific. And a problem that he forecasts will worsen in the 2020s as our text submarines retire faster than they're being replaced. Talk to us about this, how's the Navy planning to in--to mitigate the anticipated shortfall here in the Indo Pacific in particular?

GILDAY:

Senator, we're buying submarines at the rate that both Electric Boat and Huntington Ingalls can produce them. So, we are buying at--at the maximum output right now, with the exception of the fact that one submarine dropped from the budget in--in--in 21. It really comes down to ruthless prioritization. So, we are meeting the secretary of defense's direction for the numbers of ready submarines you get to sea, and we've been doing that. And then, it really comes down to prioritization between--principally between Russia and China in terms of how those submarines are then allocated across the combatant commanders and employees.

HAWLEY:

Let me just ask you finally, Mr. Chairman, aside from--from growing that--the submarine force, are there other investments that are needed to extend our undersea warfare advantage?

MODLY:

Unmanned. And so, we are--we're making great gains in unmanned under the sea.

HAWLEY:

Very good, thank you. Thank you, Mr. Chairman.

INHOFE:

Thank you, Senator Hawley and thank all three of you for the--the time you spent with us. Excellent testimony. We're adjourned.

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WITNESSES:

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CHIEF OF NAVAL OPERATIONS MICHAEL M. GILDAY

MARINE CORPS COMMANDANT DAVID H. BERGER

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